



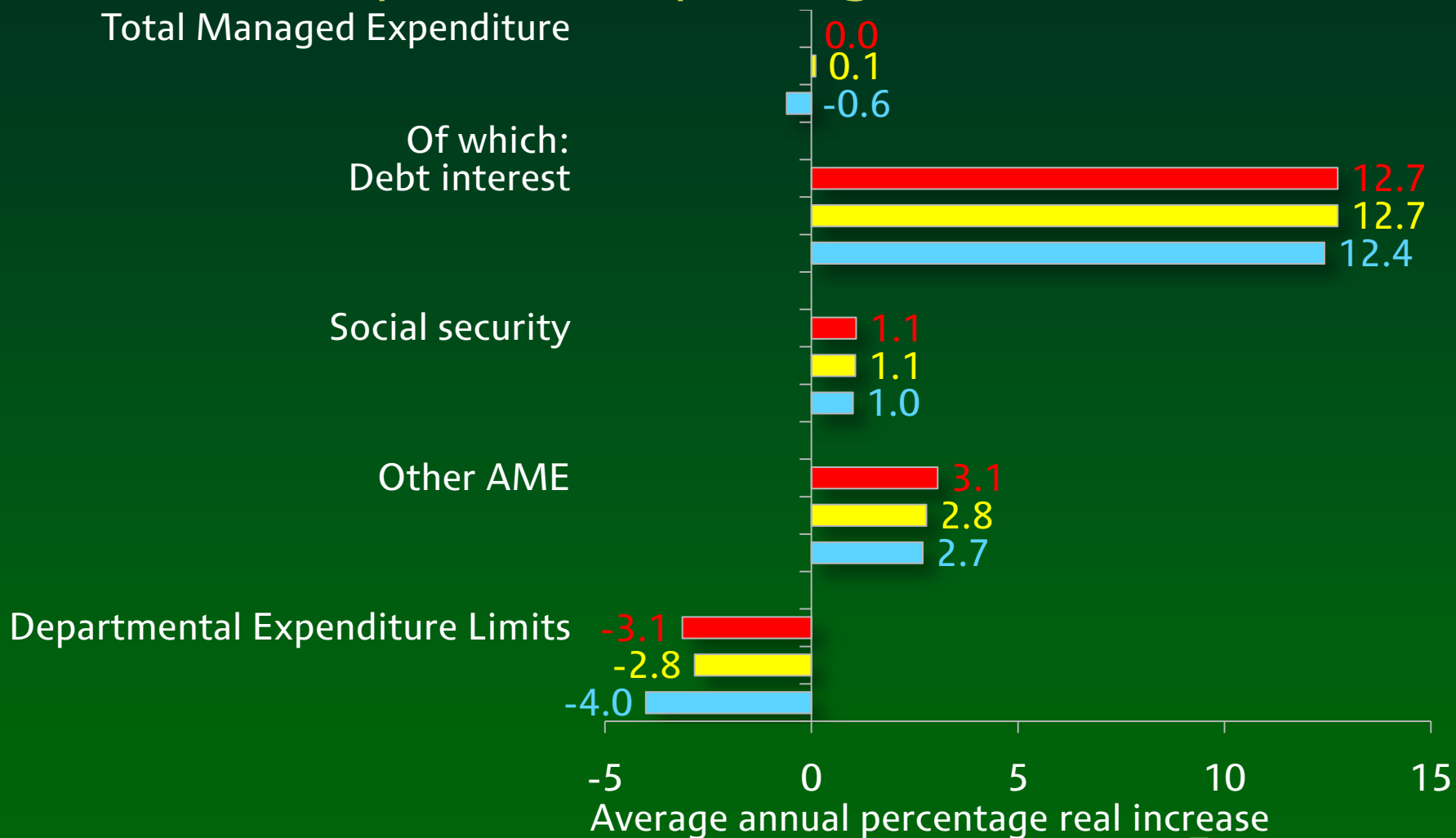
Institute for
Fiscal Studies



Not filling the hole

Gemma Tetlow

Growth in components of spending: 2011–12 to 2014–15

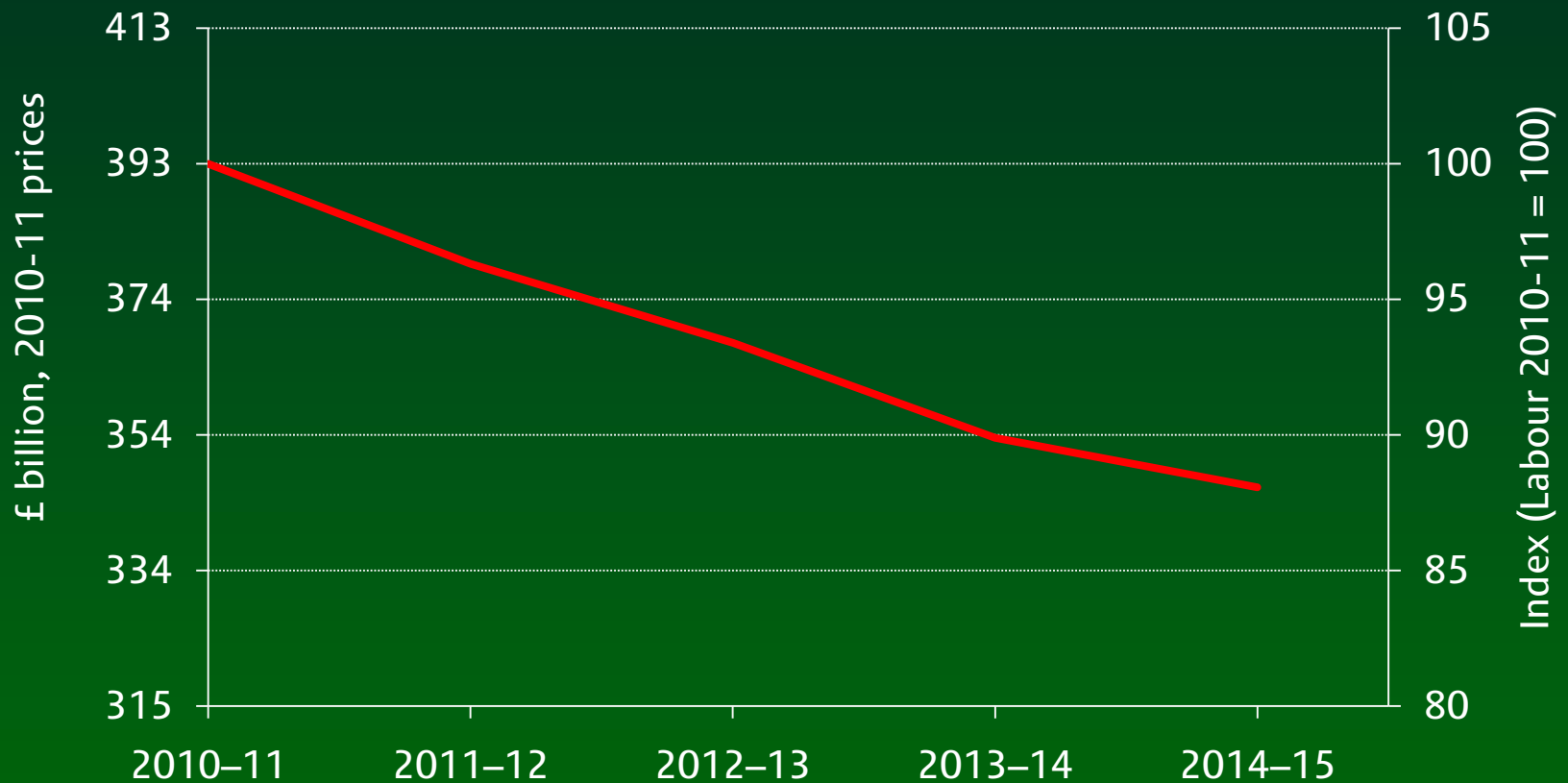


Note: Increases are expressed relative to Labour's planned 2010–11 spending levels

Source: Figure 6.1 and Tables 6.1, 6.2 and 6.3



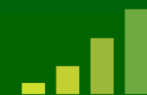
Departmental spending



Note: Increases are expressed relative to Labour's planned 2010-11 spending levels

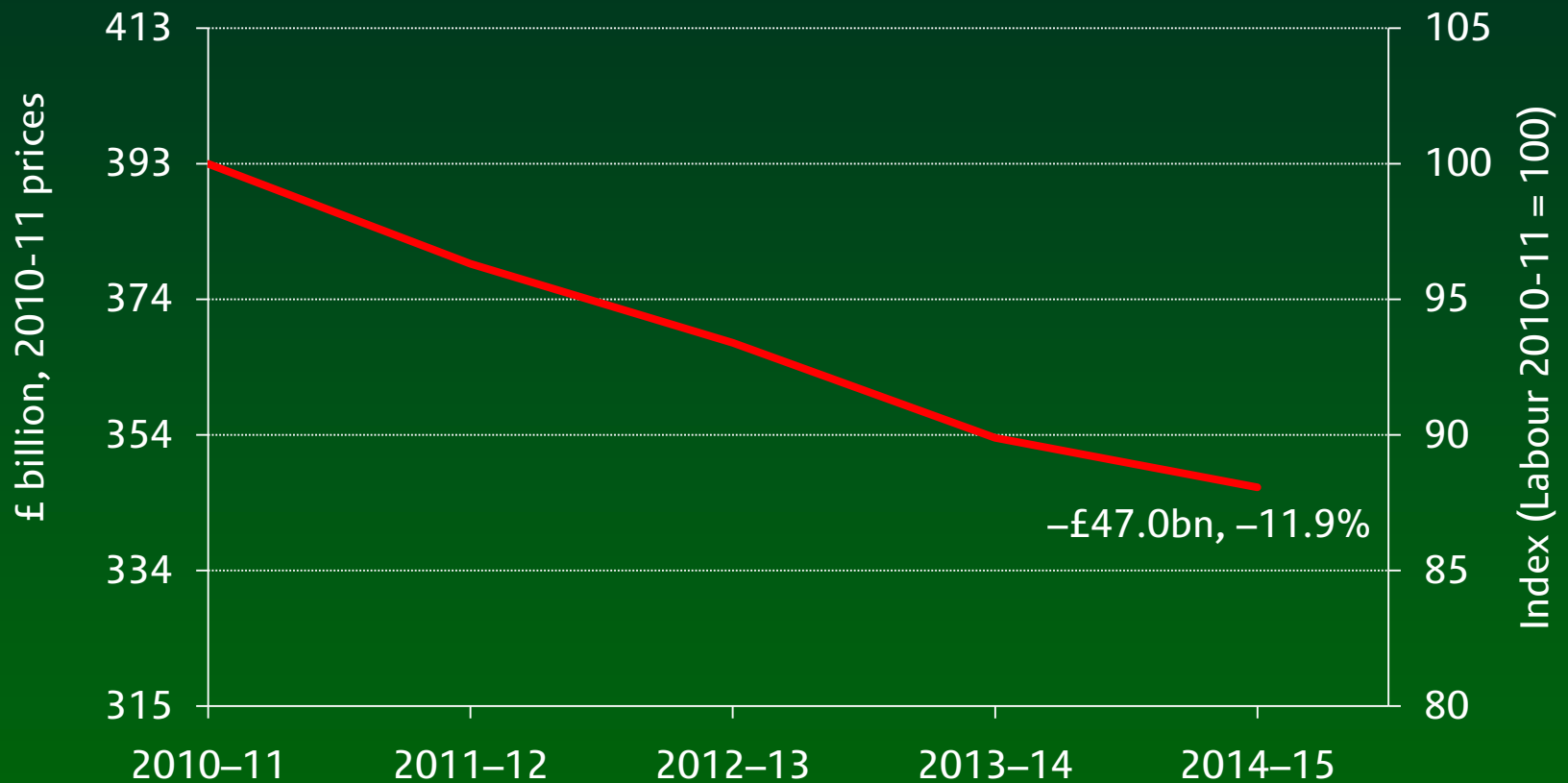
Source: Figure 6.5

© Institute for Fiscal Studies



Institute for
Fiscal Studies

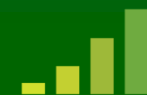
Departmental spending



Note: Increases are expressed relative to Labour's planned 2010-11 spending levels

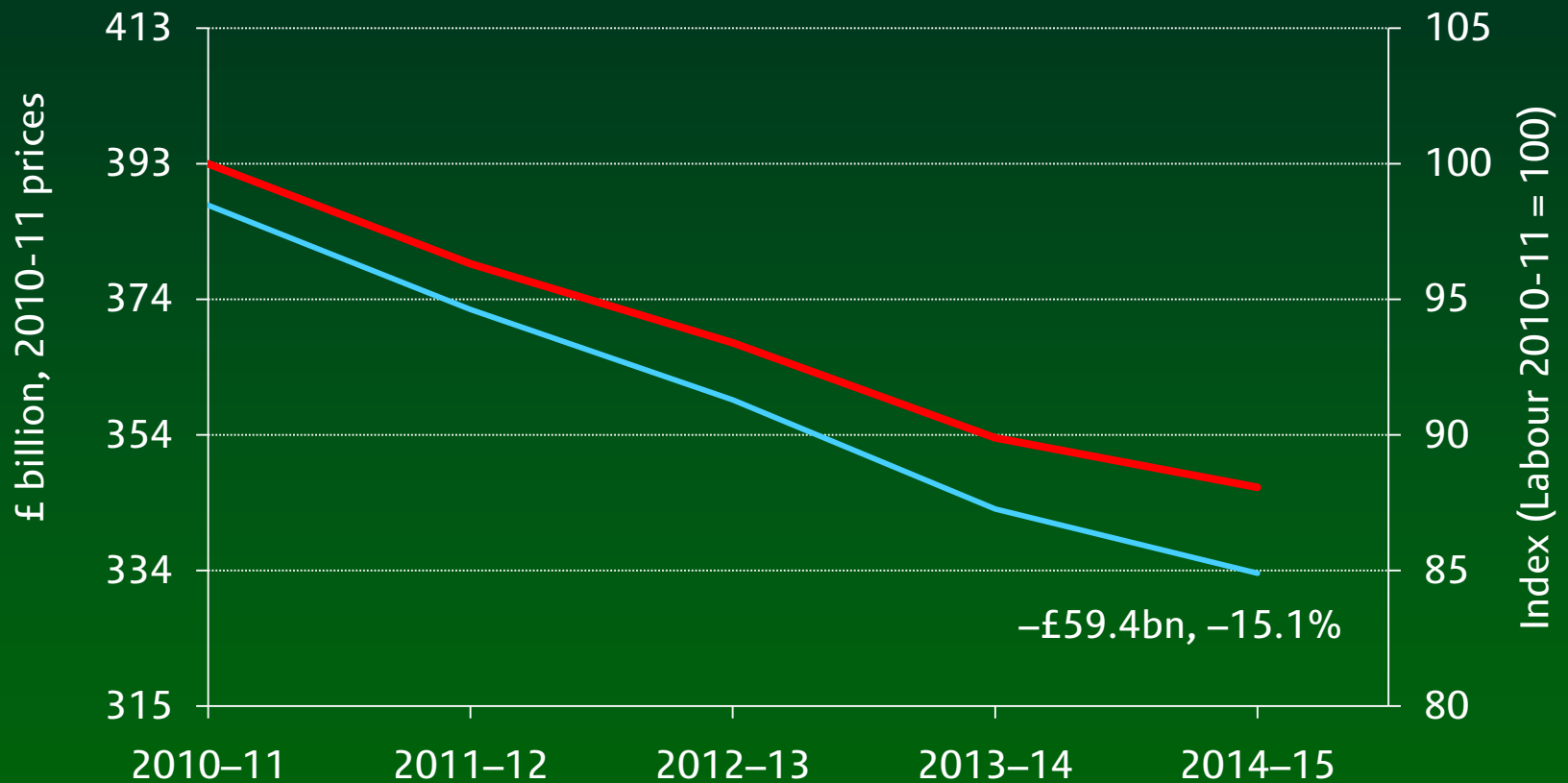
Source: Figure 6.5

© Institute for Fiscal Studies



Institute for
Fiscal Studies

Departmental spending



Note: Increases are expressed relative to Labour's planned 2010-11 spending levels

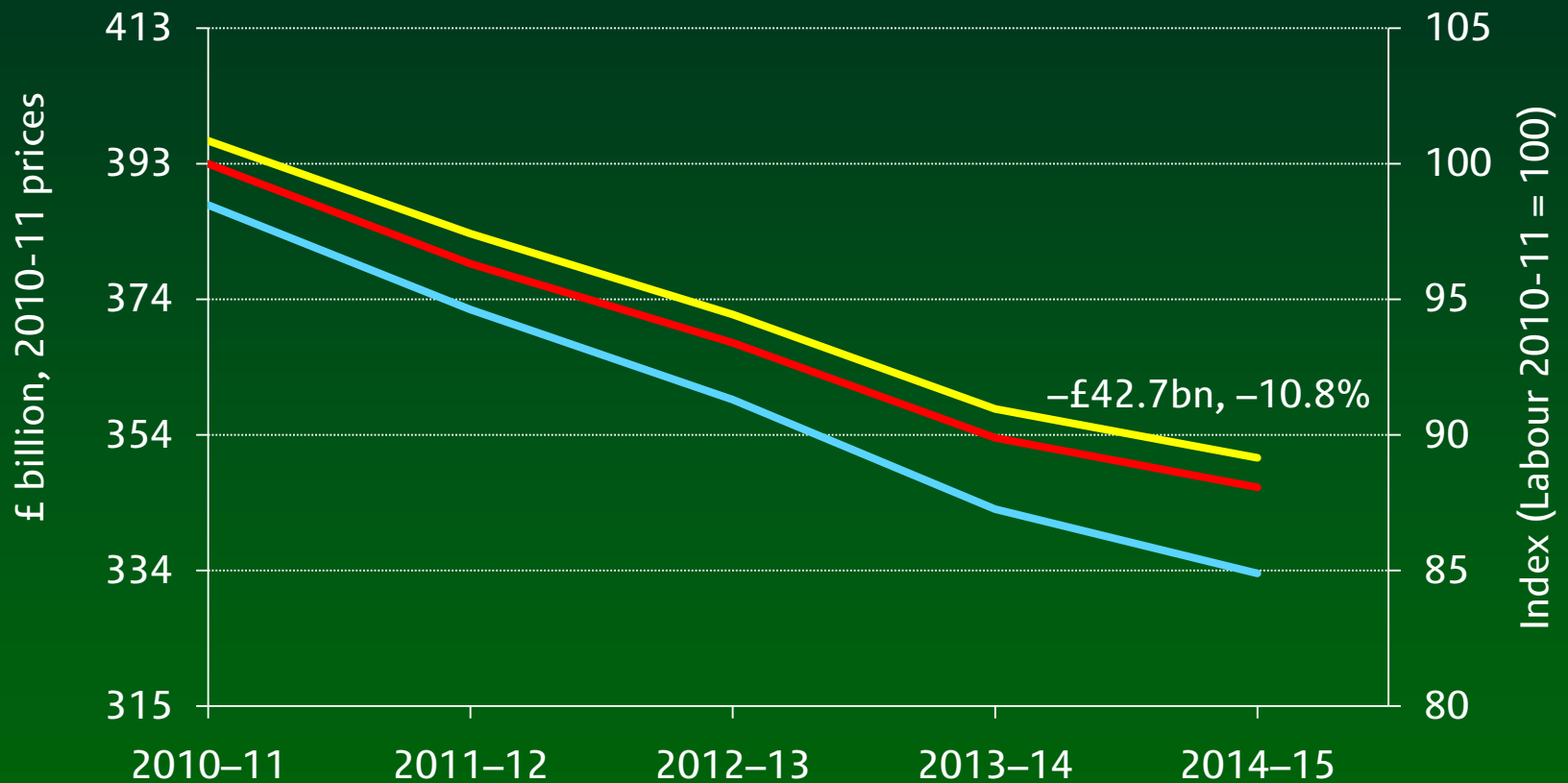
Source: Figure 6.5

© Institute for Fiscal Studies



Institute for
Fiscal Studies

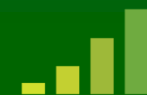
Departmental spending



Note: Increases are expressed relative to Labour's planned 2010-11 spending levels

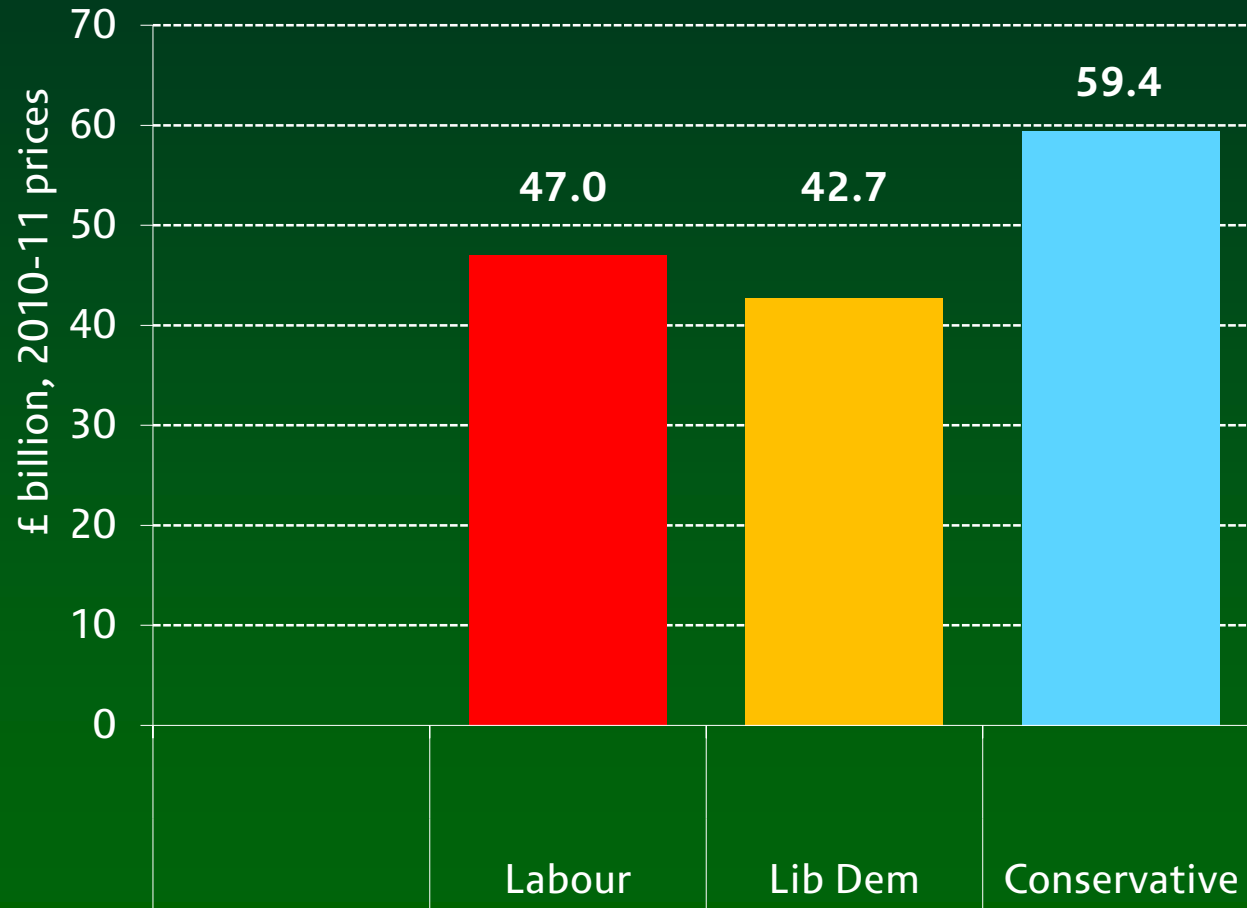
Source: Figure 6.5

© Institute for Fiscal Studies



Institute for
Fiscal Studies

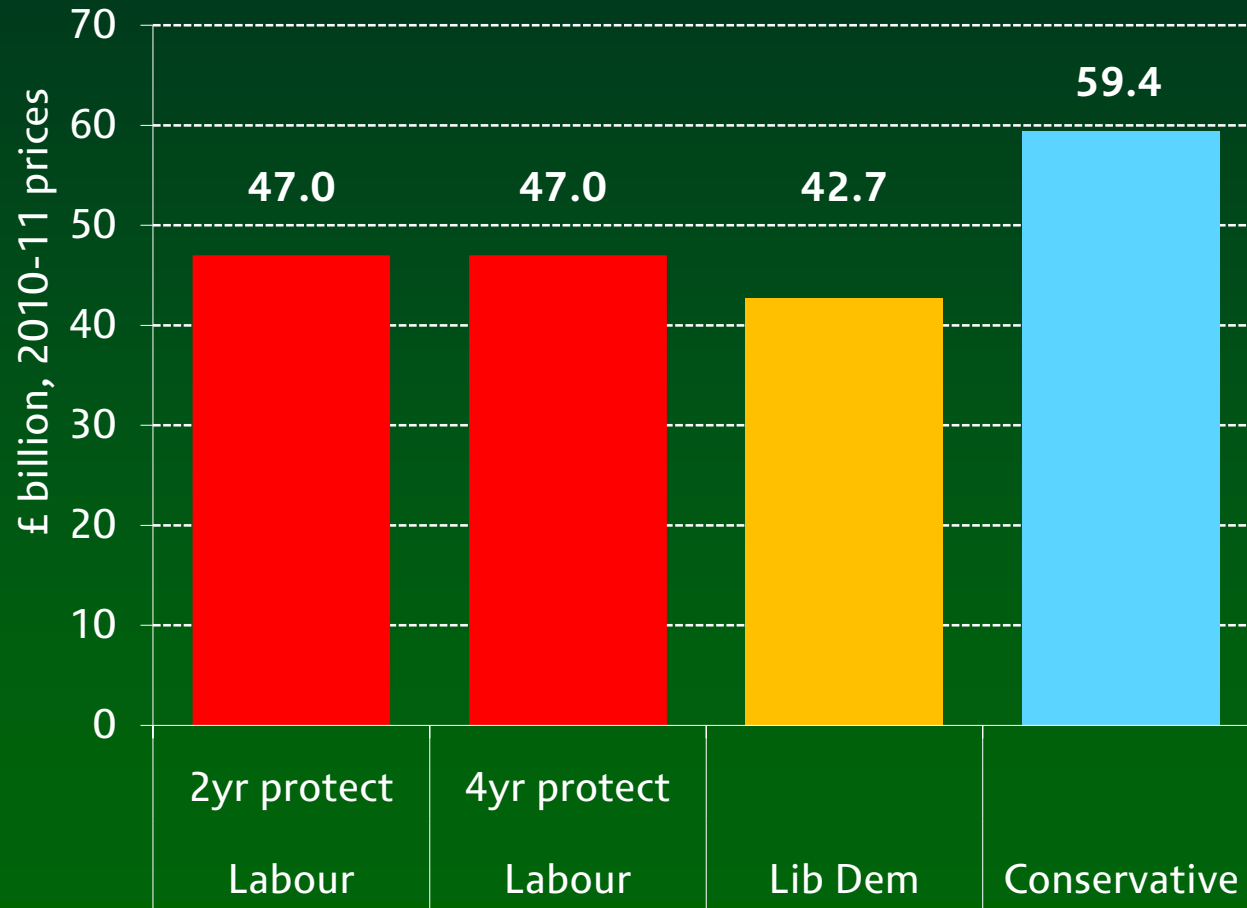
Cuts required to DELs by 2014–15



Note and sources: Figures 6.2, 6.3, 6.4 and 6.5.



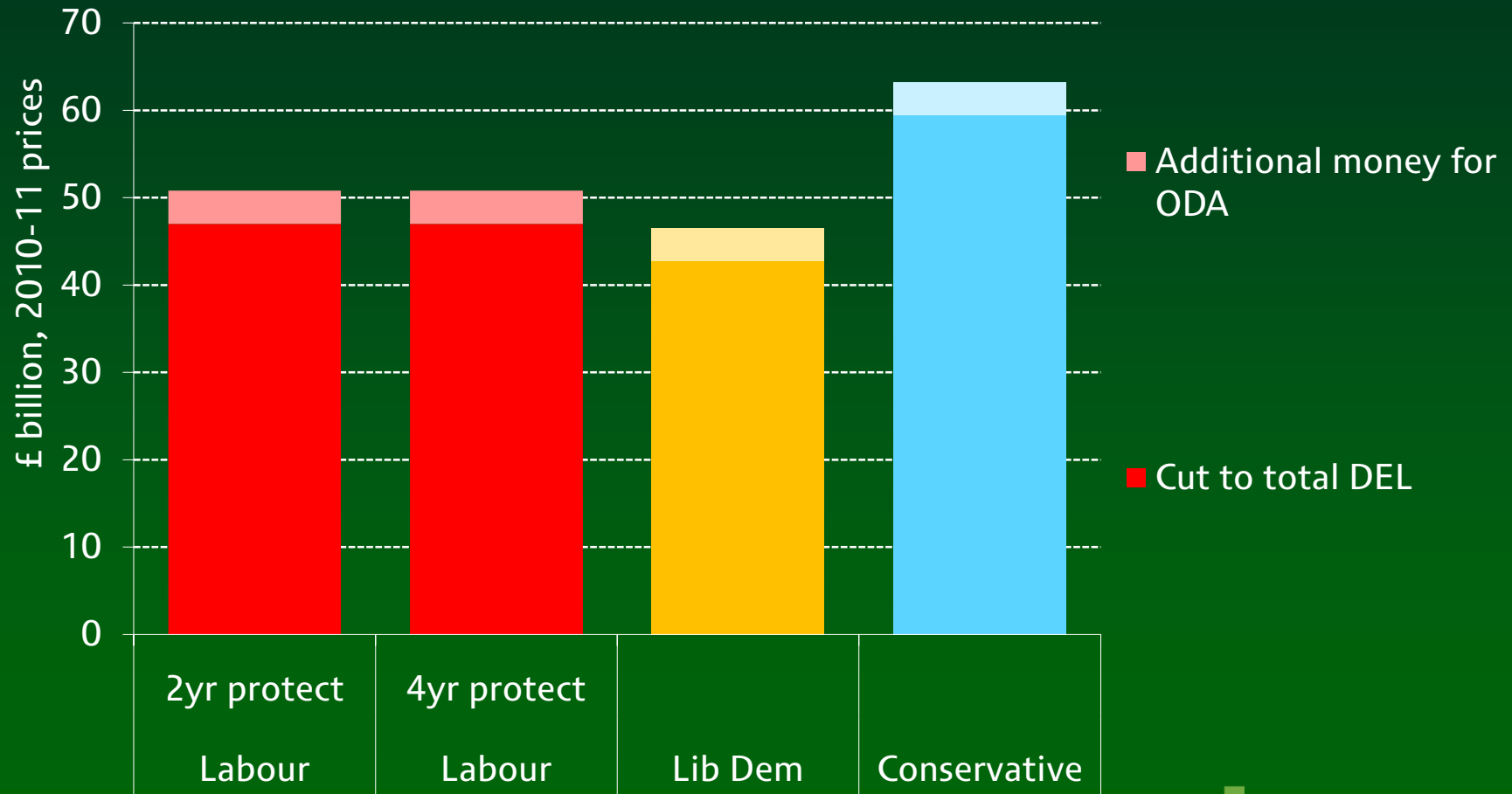
Cuts required to DELs by 2014–15



Note and sources: Figures 6.2, 6.3, 6.4 and 6.5.

But 'protection' of some areas make cuts required elsewhere larger...

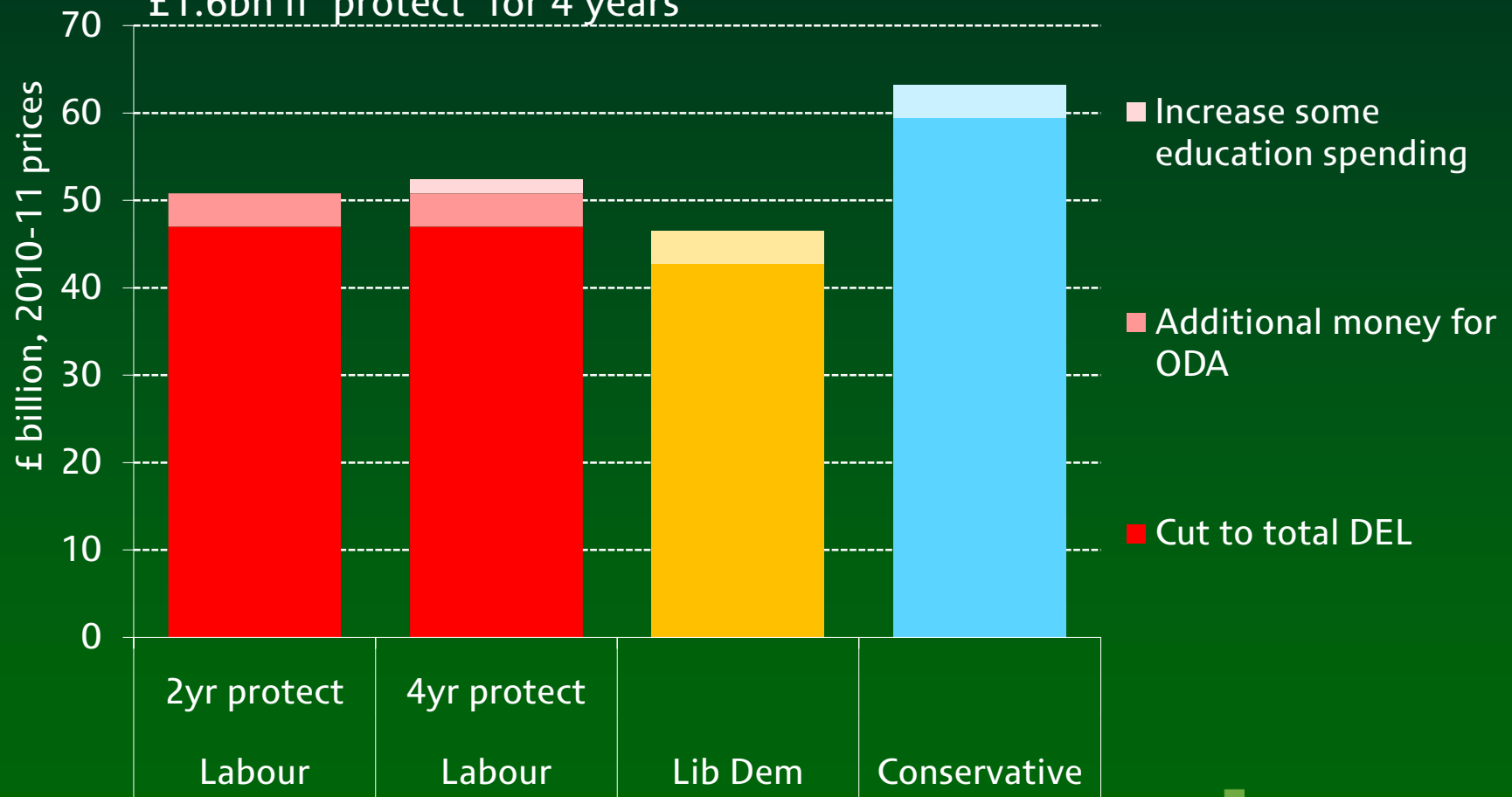
Additional £3.8bn ODA spending



Note and sources: Figures 6.2, 6.3, 6.4 and 6.5.

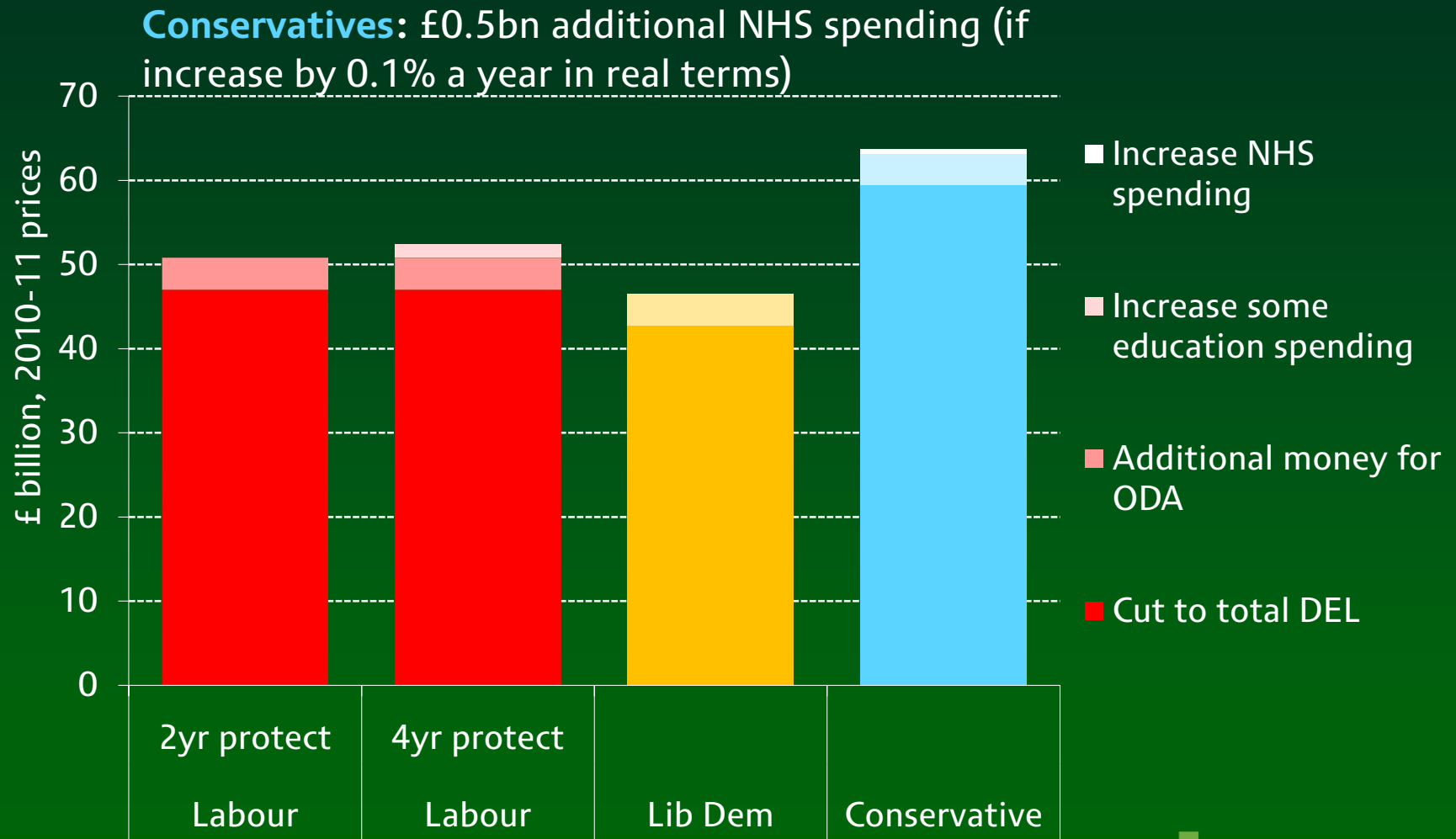
But 'protection' of some areas make cuts required elsewhere larger...

Labour: increase parts of education budget by £1.6bn if 'protect' for 4 years



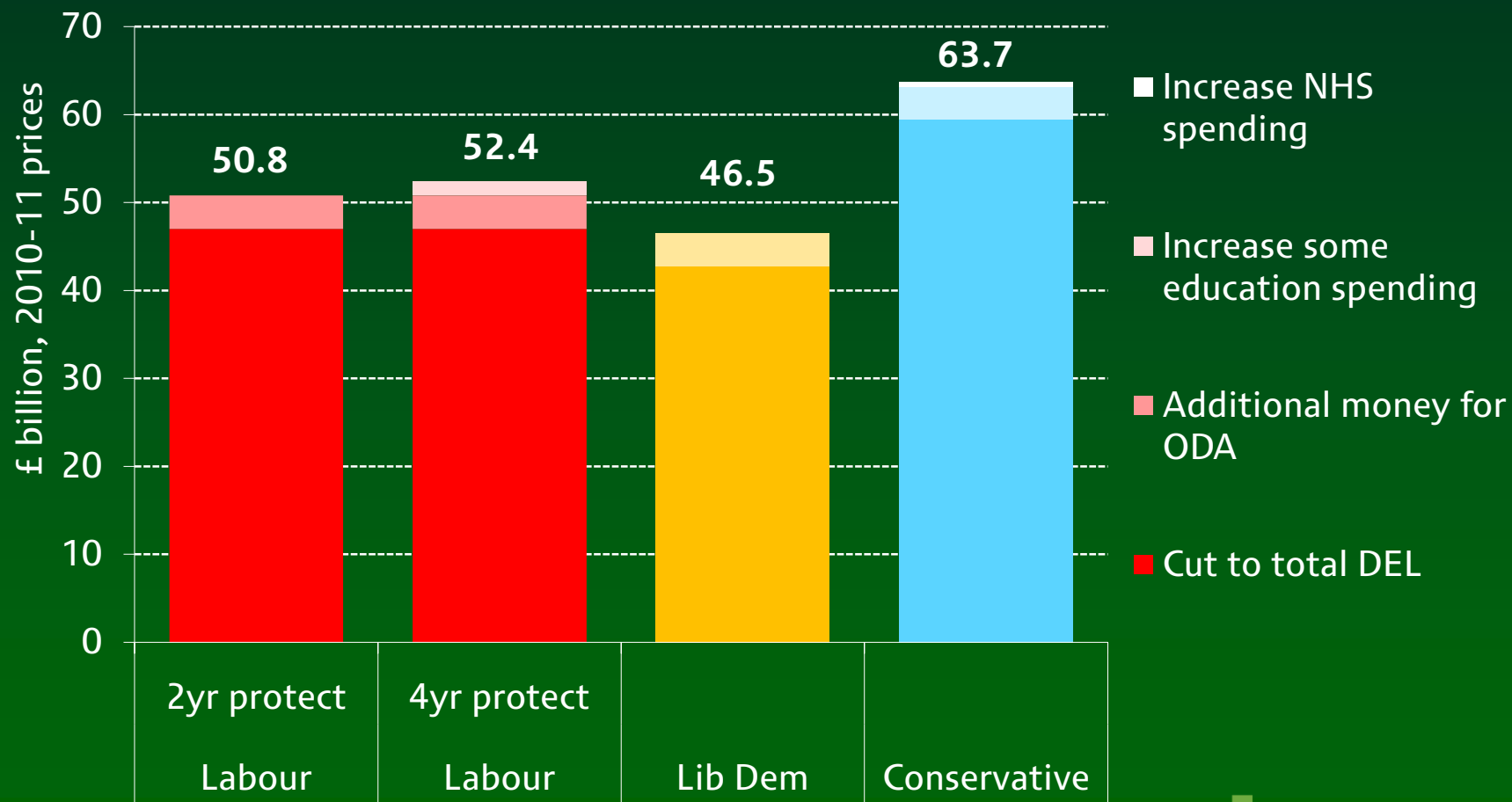
Note and sources: Figures 6.2, 6.3, 6.4 and 6.5.

But 'protection' of some areas make cuts required elsewhere larger...



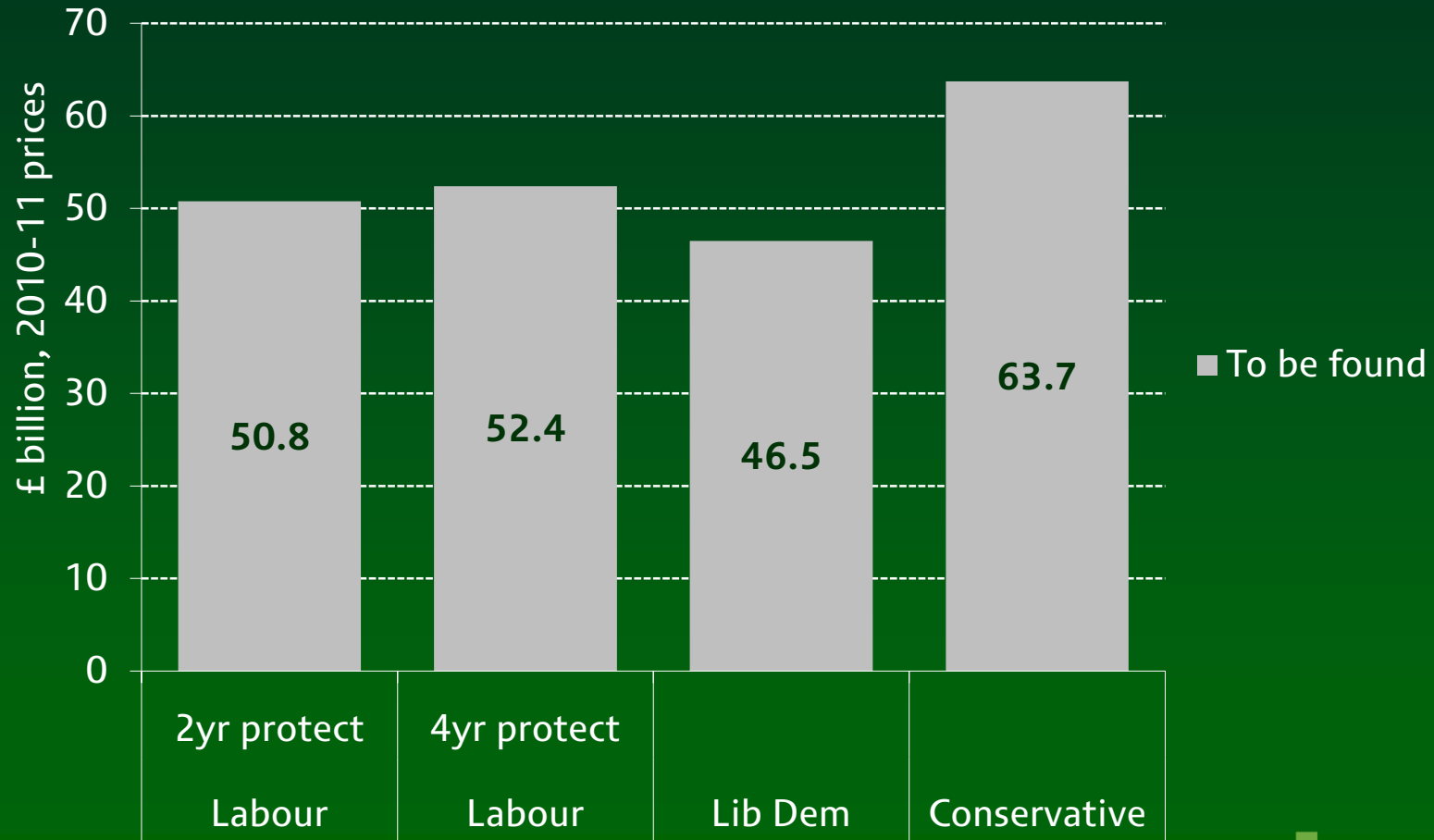
Note and sources: Figures 6.2, 6.3, 6.4 and 6.5.

Cuts required to 'unprotected' DELs by 2014–15



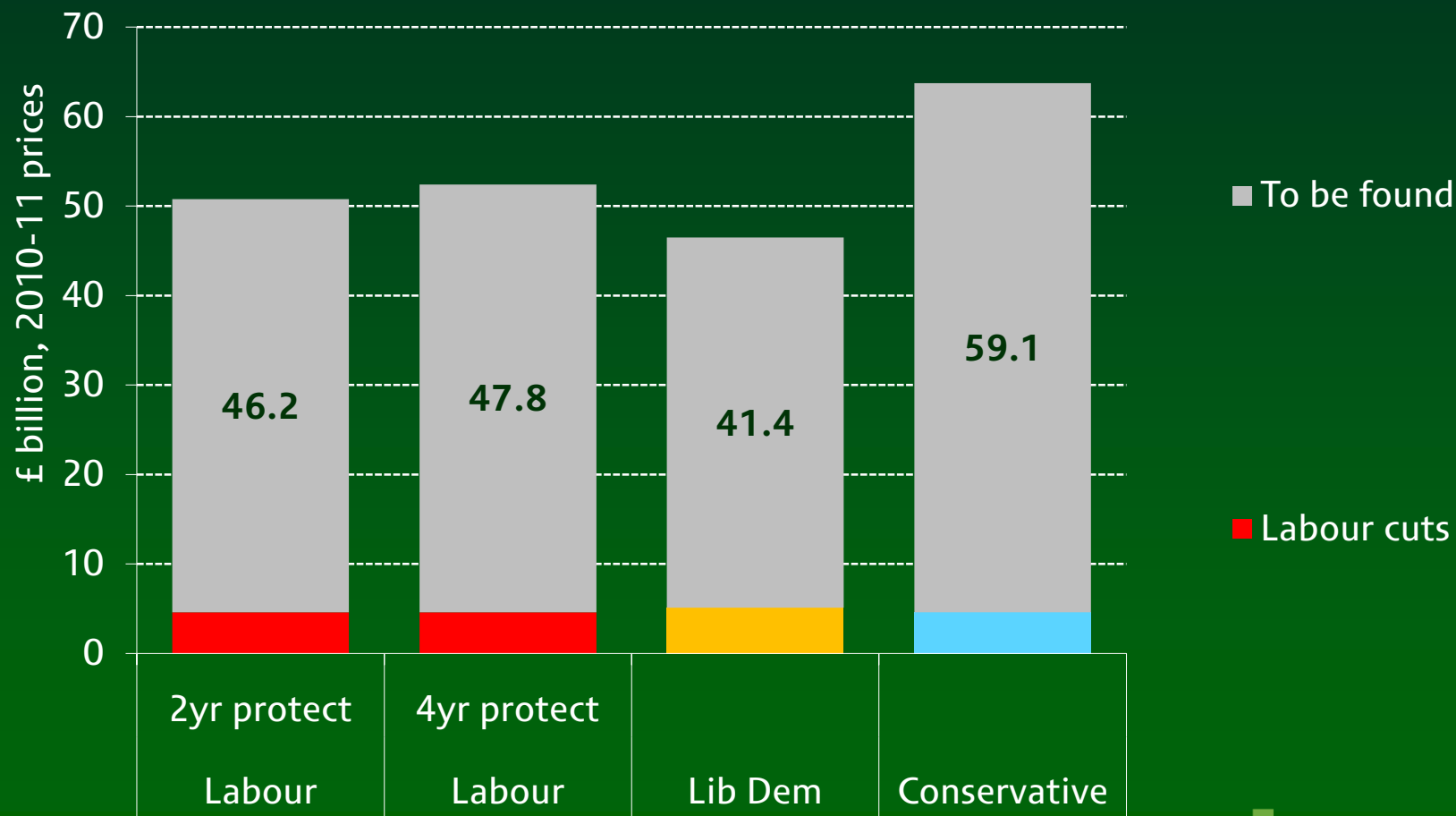
Note and sources: Figures 6.2, 6.3, 6.4 and 6.5.

Cuts required to 'unprotected' DELs by 2014–15



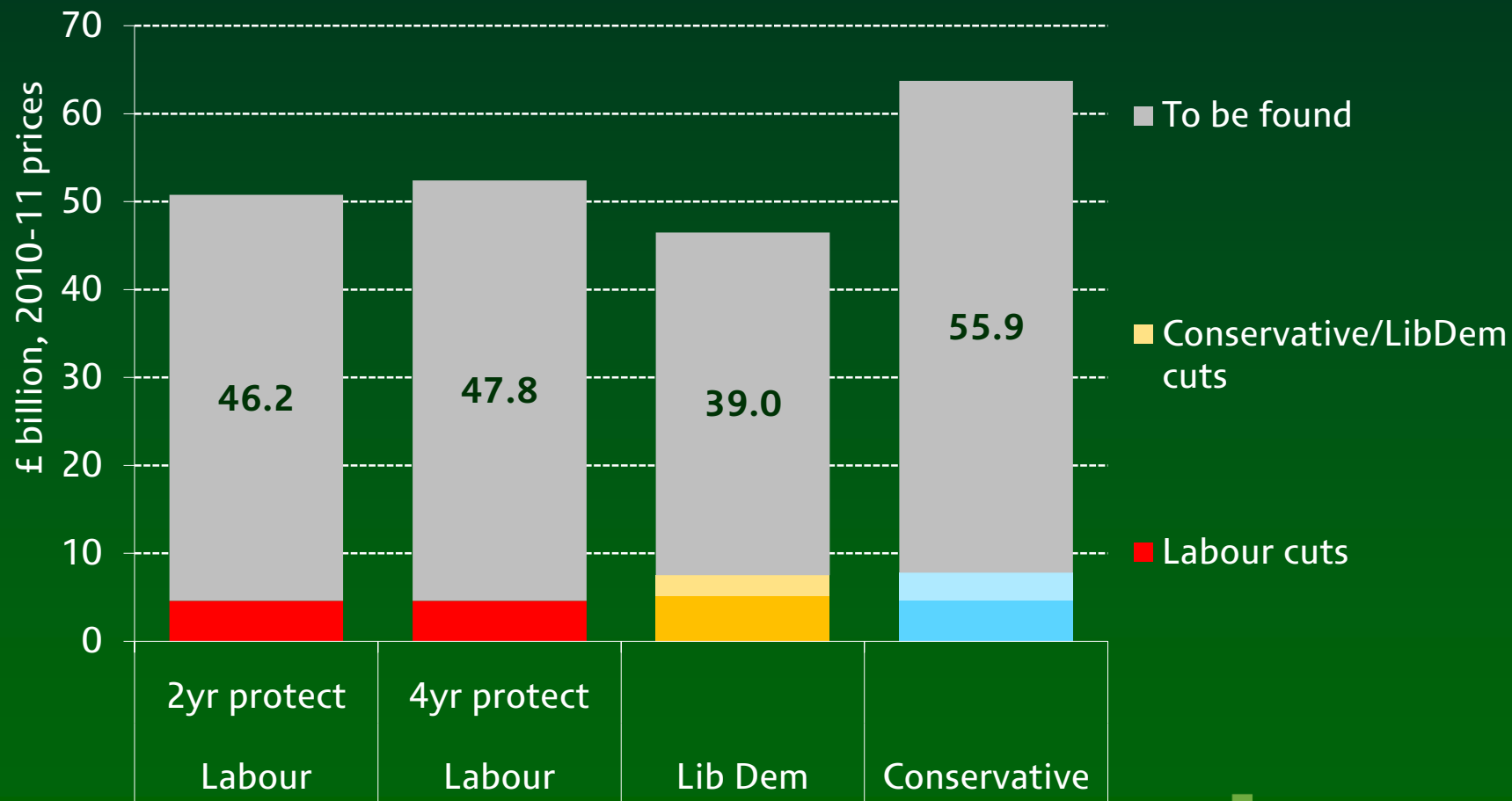
Note and sources: Figures 6.2, 6.3, 6.4 and 6.5.

Cuts required to 'unprotected' DELs by 2014–15



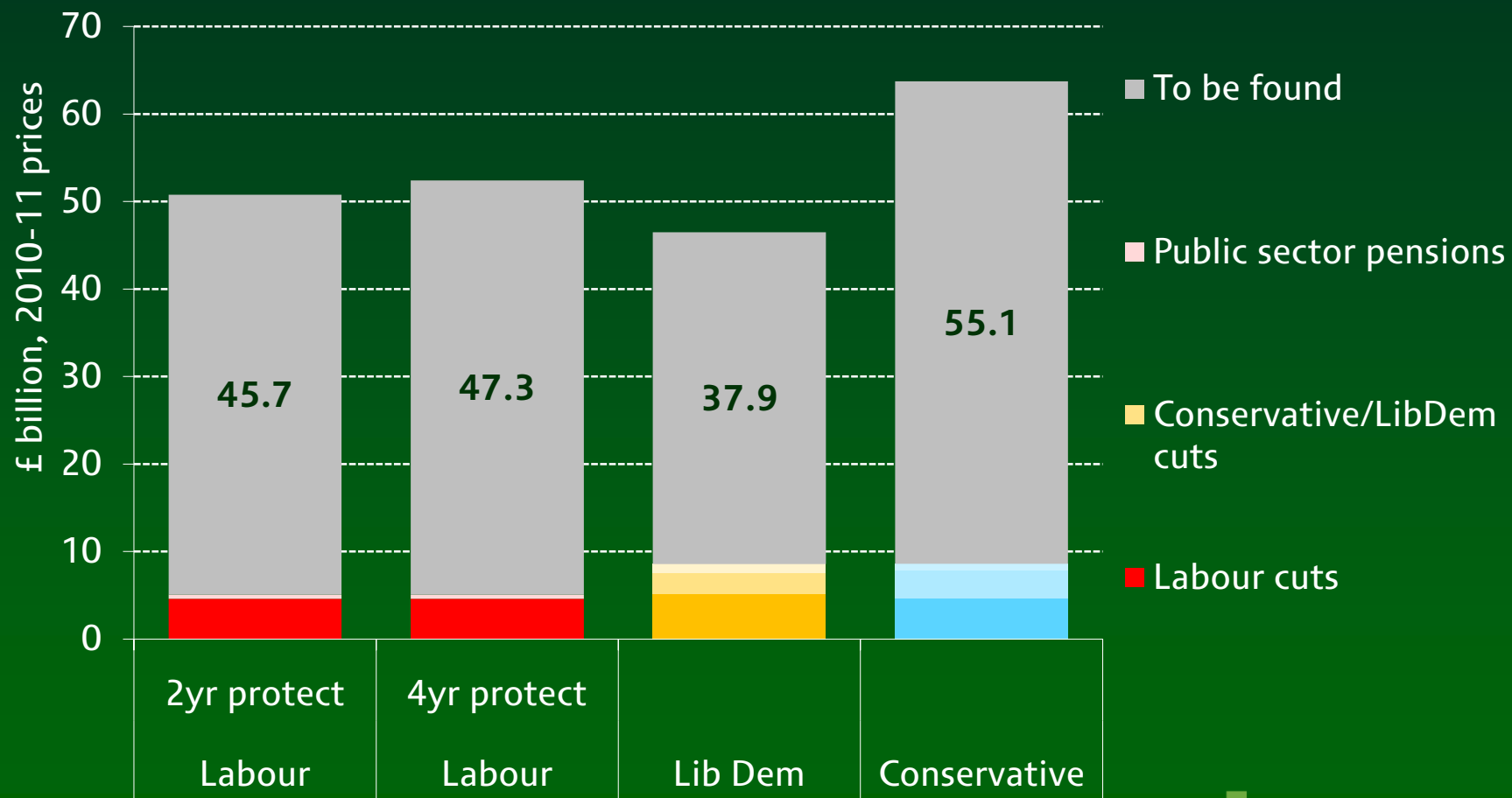
Note and sources: Figures 6.2, 6.3, 6.4 and 6.5.

Cuts required to 'unprotected' DELs by 2014–15



Note and sources: Figures 6.2, 6.3, 6.4 and 6.5.

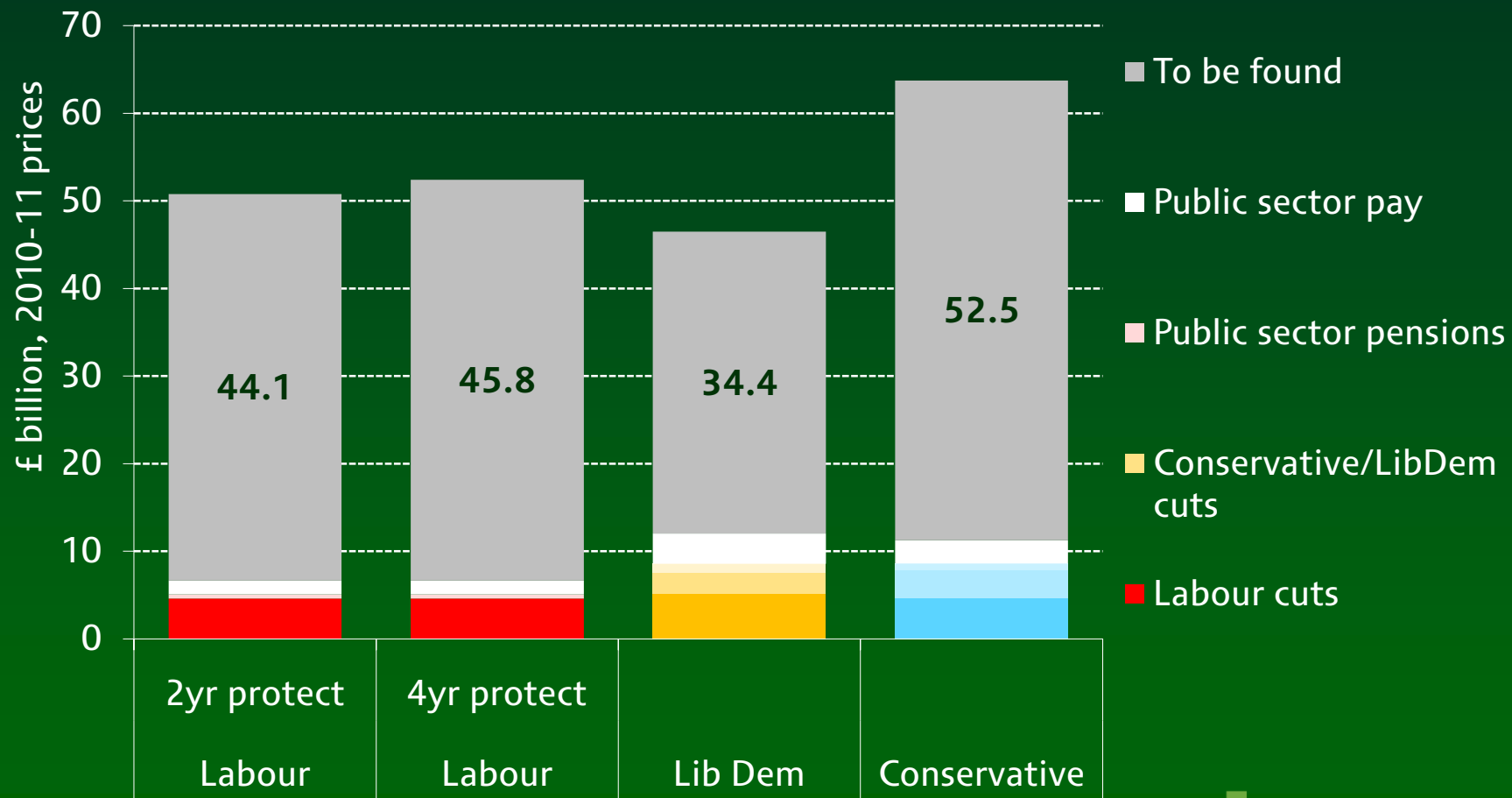
Cuts required to 'unprotected' DELs by 2014–15



Note and sources: Figures 6.2, 6.3, 6.4 and 6.5.

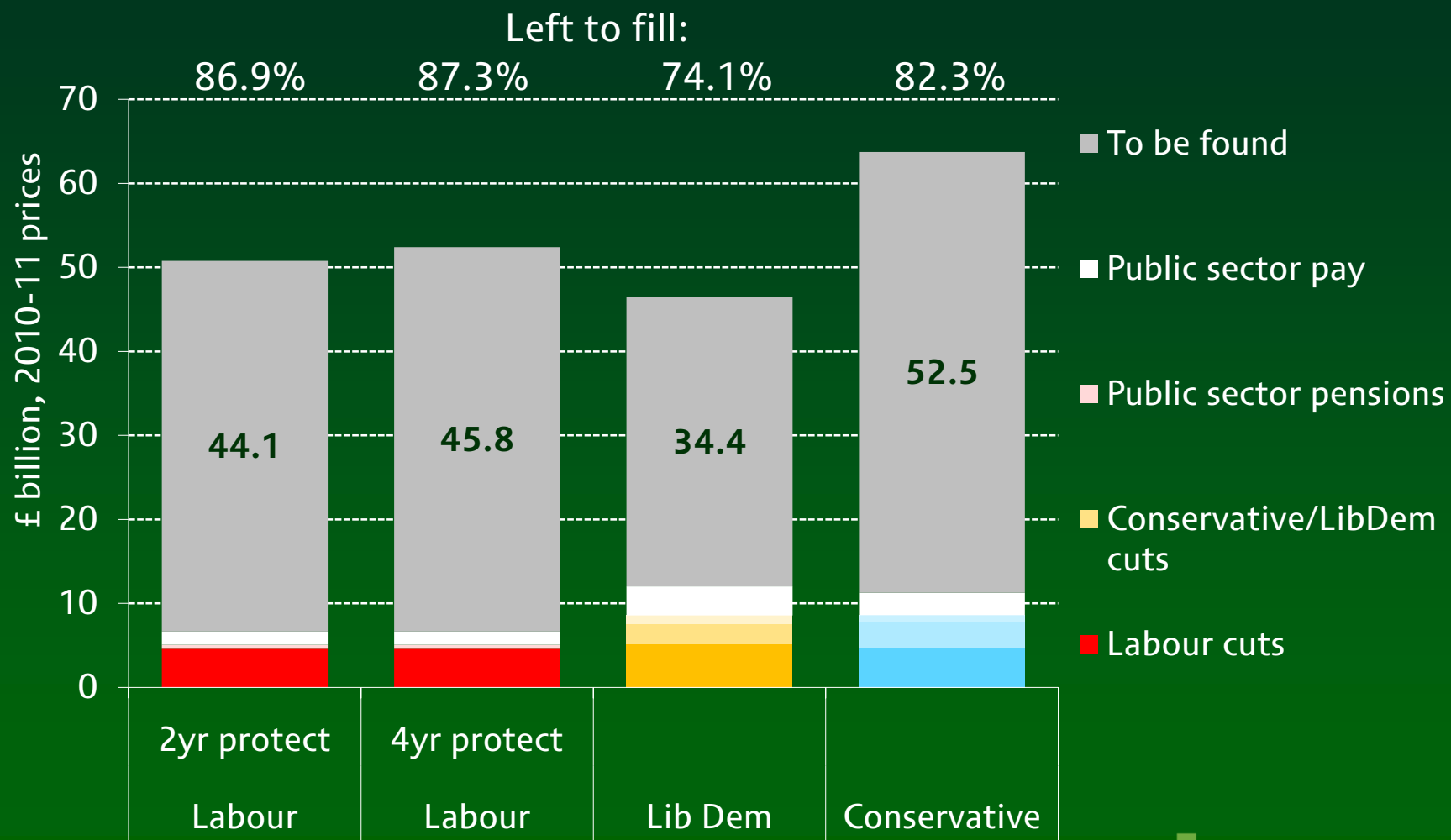


Cuts required to 'unprotected' DELs by 2014–15



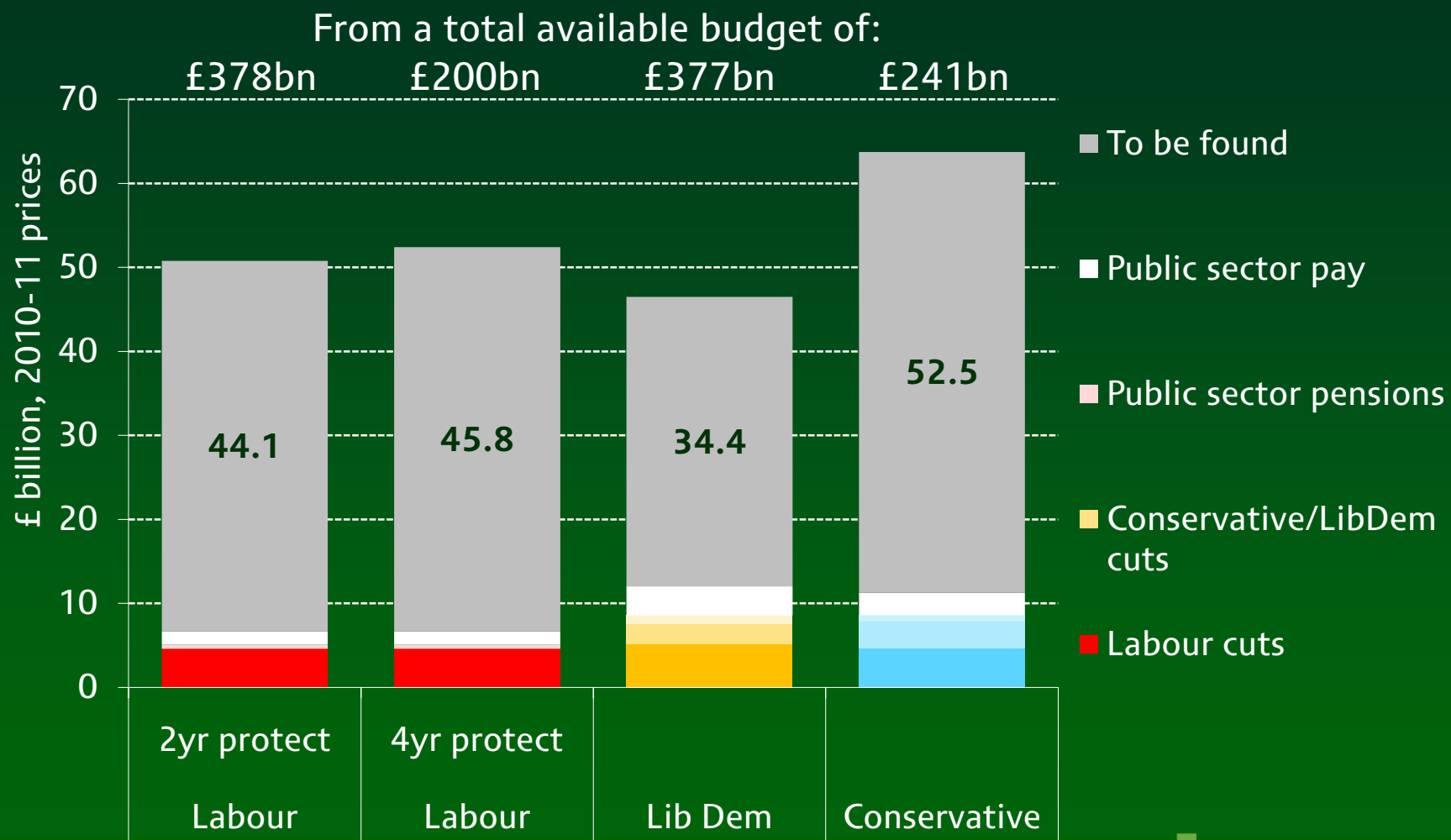
Note and sources: Figures 6.2, 6.3, 6.4 and 6.5.

Cuts required to 'unprotected' DELs by 2014–15



Note and sources: Figures 6.2, 6.3, 6.4 and 6.5.

Cuts required to 'unprotected' DELs by 2014-15



Note and sources: Figures 6.2, 6.3, 6.4 and 6.5.

Deep cuts to public services required (1)

- Cuts to total DELs, 2010–11 to 2014–15
 - Conservatives: £59.4bn
 - Labour: £47.0bn
 - Liberal Democrats: £42.7bn
- Deepest cuts to public service spending for decades
 - Labour & Liberal Democrats: April 2011 to March 2015 set to be tightest four-year period since April 1976 to March 1980
 - Conservatives: April 2010 to March 2015 set to be tightest five-year period since (at least) World War II
- ‘Protection’ for some areas makes cuts required elsewhere larger
 - Conservatives: £63.7bn
 - Labour: £50.8bn (or £52.4bn if ‘protect’ for 4 years)
 - Liberal Democrats: £46.5bn

Deep cuts to public services required (2)

- None of these parties has given much detail on these cuts
 - Liberal Democrats slightly less bad on this score than the other two
- Cuts to spending after 2014–15
 - Comparisons over years to 2014–15 flatter Liberal Democrats: they are leaving more of the spending cuts to later years
 - Conservatives set for smallest spending cut after 2014–15
- By 2017–18, spending set to be...
 - Lowest under Conservatives (39.7% of GDP)
 - Highest under Labour (40.4% of GDP)
 - Liberal Democrats' plans imply will fall to 40.1% of GDP

Summary (1/2)

- Large fiscal tightening required by all three parties
 - Conservatives plan to start and finish sooner
 - 2010–11 to 2016–17: Conservatives would borrow 6% less than Labour & the Liberal Democrats would
 - debt to return to 40% of GDP in 2031–32 under all three parties
- Bigger differences in planned ratio of spending cuts to tax rises
 - Labour 2:1; Liberal Democrats (eventually) 2½:1 and Conservatives 4:1
 - two 1993 Conservative Budgets planned for 1:1 ratio
 - Labour and Conservatives plans imply further tax raising measures

Summary (2/2)

- All plans imply deep cuts to spending on public services
 - Labour & Liberal Democrat plans imply tightest sustained squeeze since April 1976 to March 1980
 - spending cuts as deep as Conservative plans imply not delivered over any sustained period since Second World War
- Very little detail from any of the parties
 - Liberal Democrats slightly less bad on this score than the other two
 - but they would have the most to find in 2015–16 and 2016–17
- Would any of the parties deliver cuts to public services on this scale?
 - alternative is significant tax increases and/or welfare cuts